

## MEET YOUR LOCAL EXPERT



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*Peter Knowles is a recognized expert in the field of construction cost management with over 35 years of industry experience. As a degreed Quantity Surveyor, he has assisted owners, design professionals & lenders in the control of cost & time aspects of their projects so they can realize the most efficient, cost conscious, & environmentally sustainable project results.*

*Let's connect!*

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## COST CONSIDERATIONS THINGS TO WATCH OUT FOR



**CONSTRUCTION OUTLOOK** The construction industry is continuing to see costs increasing exponentially. Ongoing supply chain issues will continue to affect material rates and with a shortage of craft labor, we will likely see this continue over the next 12 months. Gas prices exacerbate the cost of goods and services further. The demand for construction resources continues to remain at a high.



**EMERGING SECTOR TRENDS** Many Higher Education projects are breaking ground this quarter. The upcoming fiscal year funds are pushing projects forward and are taking advantage of the optimum time frame during summer break. The RLB Denver office is seeing a particular need for growth in collaborative workspaces as well as laboratories and STEM needs on campuses.



**CONSTRUCTION ENVIRONMENT** Due to the ongoing material supply chain disruption, we are still seeing increases in material costs. We also expect the demand for craft labor to continue to result in an increased cost of in-place construction.

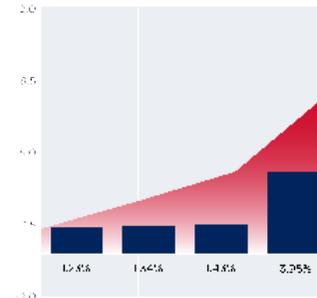


**ADVICE ON THE CURRENT MARKET** RLB is projecting a year-over-year construction cost index of 8% in Denver, with rates anticipated to decline over the next few years.

### CONSTRUCTION COST DRIVERS

MATERIALS	APPROX. CHANGE FROM Q1 2022
Structural Steel	▼ -0.3%
Rebar	▲ 11.0%
Lumber	▲ 40.9%
Copper	▲ 4.0%
Plumbing Fixtures	▲ 2.1%
Diesel	▲ 43.6%
Ready Mix Concrete	▲ 2.2%

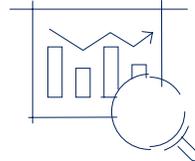
### CITY COST INDEX



### PROJECTED MARKET TRENDS

**8.16%**  
Denver YOY  
escalation rate

**7.50%**  
National YOY  
escalation rate



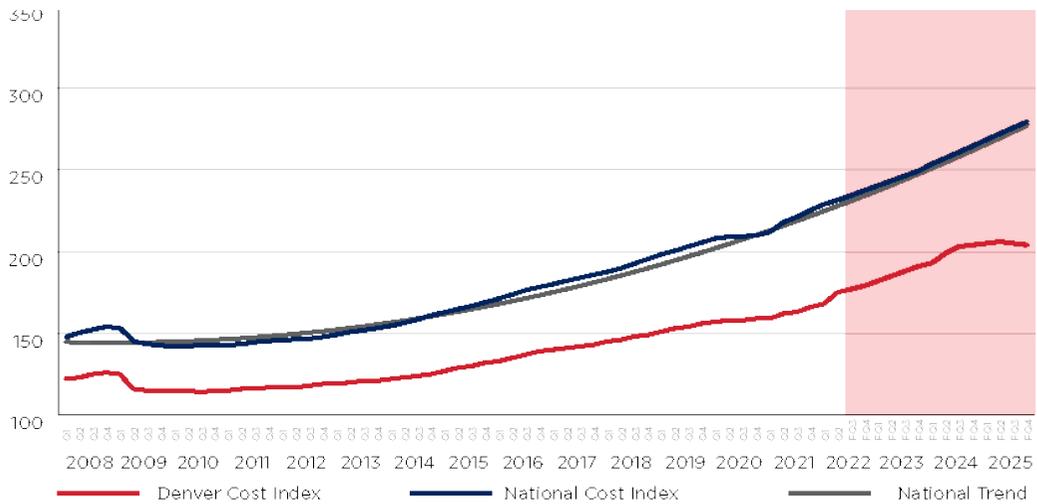
**DON'T MISS OUT ON FUTURE INSIGHTS!**



For more than 20 years, we have published a quarterly construction cost report to provide you with the most accurate and up-to-date construction pricing information in the market.

**SCAN TO SUBSCRIBE**

**CONSTRUCTION COST INDEX, ESCALATION, AND TRENDS**



**ABOUT THE CHART**  
 This chart compares our National Construction Cost Index with local escalation, the construction cycle trend, and provides our projection through 2025.

**WHAT THIS MEANS FOR YOU**  
 We anticipate supply chain disruptions to continue to have a major impact on construction nationwide. Overall, Colorado's construction industry is forecasted to thrive, and we anticipate an escalation between 7% and 8% over the next year.